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**REMARKS/ARGUMENTS**

Claims 11-14, 21-36 and 38 are pending. Claims 1-10, 15-20 and 37 have been cancelled without prejudice or disclaimer. Claims 11-14, and 21-37 stand rejected. Claims 11-14, 21-24, 26, 31, and 37 are rejected under 35 U.S.C. 102(a) and (e) as being anticipated by U.S. published application 2001/0034673 to Yang et al. (hereinafter "Yang"). Claims 25, 27-30, and 32-36 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yang in view of U.S. published application 2002/0169657 to Singh et al. (hereinafter "Singh").

These rejections are respectfully traversed.

**Rejections under 35 U.S.C. 102(a) and (e)**

Claims 11-14, 21-24, 26, 31 and 37 are rejected under 35 U.S.C. 102(a) and (e) as being anticipated by Yang. In particular, it is asserted that Yang discloses the reverse logistics of claims 11-14, 21-24, 26, 31 and 37. This rejection is respectfully traversed.

Yang fails to provide a basis for the rejection of claims 11-14, 21-24, 26, 31 and 37, because it fails to disclose the claimed reverse logistics. In particular, Yang states at paragraph [0004] that:

[0004] A growing requirement for many enterprises is the ability to better manage the "*reverse logistics*" flow of service parts that are defective or are otherwise returned for replacement or repair. The flow of such aftermarket service parts may often provide a valuable source of re-salable service parts, potentially reducing the need to purchase or manufacture new service parts. Enterprises which effectively manage *reverse logistics* flows can reduce their costs significantly. *Reverse logistics* flow, however, is typically considered to involve a supply chain which is separate from the primary manufacturing and distribution supply chain of the enterprise and is often managed under sales and/or customer service organizations.

(emphasis added). As such, the meaning of reverse logistics in Yang is only for the return of defective parts or parts that are otherwise returned for replacement or repair.

In contrast, claim 11 includes "an order controller system including reverse logistics means for generating transfer data; and a warehouse system receiving the transfer data and generating shipping data." Under the Federal Circuit's holding in *WMS Gaming v. International Game Technology*, 184 F.3d 1339 (Fed. Cir. 1999) and progeny, such means is limited to the structure shown in the patent application and any equivalents. That structure is shown in FIGURE 8 of the pending application and described at paragraphs [0088] to [0093] of the specification of the pending application. This structure does not relate in any manner to the return of parts that are

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defective or otherwise returned for replacement or repair; rather, it relates to transferring undamaged product between warehouses, to a controller, or from a distribution center to a warehouse or controller. As such, "reverse logistics" as used in claim 11 as amended is given a special definition in the specification by virtue of claim language that implicates the provisions of 35 U.S.C. 112(6). Yang utterly fails to disclose the structure of FIGURE 8, and therefore fails to provide a basis for rejecting claim 11 under 35 U.S.C. 102(a) or (e).

Likewise, claim 21 includes "an order controller system having reverse logistic means for receiving warehouse inventory data and distribution center inventory data and generating transfer data to improve a distribution of inventory at a warehouse and a distribution center." Although this claim language does not implicate a special definition of "reverse logistics," it nonetheless distinguishes over Yang, as it is clear that the reverse logistic means is used to improve a distribution of inventory at a warehouse and a distribution center, and not to return parts that are defective or that require replacement or repair.

In regards to claim 26, the ordinary meaning of reverse logistics is again used, and it is clear that Yang fails to provide a basis for the rejection of the claim under 35 U.S.C. 102(a) or (e). Claim 26 includes a "method for supply chain management comprising: receiving warehouse inventory data and distribution center inventory data and generating reverse logistics data to modify a distribution of inventory at a first warehouse and a second warehouse." The Examiner asserts that "inventory is managed at all warehouse locations to identify where inventory levels need to be adjusted, e.g., by transferring inventory from one location to another." However, that characterization of Yang, even if it were accurate, does not meet the limitation of claim 26 of "receiving warehouse inventory data and distribution center inventory data and generating reverse logistics data to modify a distribution of inventory at a first warehouse and a second warehouse." Yang only discloses that reverse logistics are used to return defective parts or parts that require replacement or repair, and nowhere suggests that reverse logistics can be used to modify a distribution of inventory at a first warehouse and a second warehouse. In fact, Yang teaches away from such reverse logistics, as described at paragraph [0037] – "excess can be transferred to one or more other stocking locations." Yang does not use distribution center inventory data as part of the generation of reverse logistics data to modify a distribution of inventory at a first warehouse and a second warehouse, instead, it transfers excess from a first stocking location to one or more stocking locations. Thus, the efficiencies that can be realized

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by sending inventory back to a distribution center after delivery of unrelated goods from the distribution center to the first warehouse using that delivery mechanism and the subsequent delivery of the inventory to the second warehouse using the regularly scheduled delivery mechanisms are not realized by Yang – a special trip at great expense must instead be utilized. New claim 38 has been added to emphasize this functionality with particularity, but the fact remains that inclusion of a distribution center for utilizing reverse logistics is not disclosed or suggested by Yang.

All remaining claims are allowable at least for the reasons that they depend from an allowable base claim and add limitations not present in the prior art. The Applicants reserve the right to traverse the rejection of the remaining claims on appeal in the event that rejection of all pending claims is not withdrawn. For example, the Examiner states in conclusory fashion with respect to claim 31 that an "internal warehouse only looks to an external warehouse if supply is unavailable internally. In this sense, the internal entities give preference to the to the inventory levels at the first (internal or lower-level) warehouse(s)." However, that statement is not relevant to either the claim language or Yang. Claim 31 includes the "method of claim 26, wherein the first warehouse is operated by an operator of a supply chain management system and the second warehouse is not operated by the operator of the supply chain management system, and priority is given to maintaining predetermined inventory levels at the first warehouse." This has nothing to do with an internal warehouse looking to an external warehouse if supply is unavailable internally – giving priority to maintaining predetermined inventory levels at the first warehouse is *unrelated* to an internal warehouse looking to an external warehouse if supply is unavailable internally, and would be used to *prevent* the need for an internal warehouse to look to an external warehouse if supply is unavailable internally. As such, claim 31 would be used to prevent the very situation that the Examiner asserts is disclosed by Yang (which, in fact, is not).

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**CONCLUSION**

In view of the foregoing remarks and for various other reasons readily apparent, Applicant submits that all of the claims now present are allowable, and withdrawal of the rejection and a Notice of Allowance are courteously solicited.

If any impediment to the allowance of the claims remains after consideration of this amendment, a telephone interview with the Examiner is hereby requested by the undersigned at (214) 939-8657 so that such issues may be resolved as expeditiously as possible.

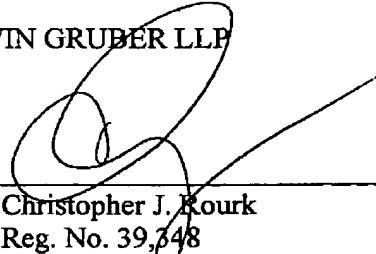
No fee is believed to be due; however, if any applicable fee or refund has been overlooked, the Commissioner is hereby authorized to charge any fee or credit any refund to the deposit account of Godwin Gruber LLP, No. 500530.

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Respectfully submitted,

GODWIN GRUBER LLP

By \_\_\_\_\_

  
Christopher J. Kourk  
Reg. No. 39,648

1201 Elm Street, Suite 1700  
Dallas, Texas 75270-2084  
Telephone: (214) 939-4400  
Facsimile: (214) 760-7332  
Email: [crourk@godwingruber.com](mailto:crourk@godwingruber.com)